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## EU-27

### Agricultural Situation

## The Treaty of Lisbon - Agriculture & Fisheries 2008

**Approved by:**

Debra Henke

U.S. Mission to the EU

**Prepared by:**

Hilde Brans

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**Report Highlights:**

This report gives an overview of the provisions established by the Treaty of Lisbon for agriculture and fisheries, and the EU agriculture budget.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
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[E4]

## The Treaty of Lisbon – Agriculture & Fisheries

### Introduction

The Treaty of Lisbon was signed by the EU Member States on December 13, 2007, to replace the draft Treaty for a Constitution for Europe. The Treaty of Lisbon is a reform Treaty and amends both the Treaty on European Union (Treaty of Maastricht) and the Treaty establishing the European Community (Treaty of Rome) which is renamed the Treaty on the Functioning of the European Union (TFEU). The Treaty of Lisbon is subject to national ratification procedures and is intended to enter into force on January 1, 2009.

The Treaty of Lisbon can be downloaded from the Commission's website at [http://europa.eu/lisbon\\_treaty/faq/index\\_en.htm](http://europa.eu/lisbon_treaty/faq/index_en.htm).

### Co-Decision

The Treaty of Lisbon greatly enhances the role of the European Parliament (EP) by increasing the number of areas in which the EP shares decision-making power with the Council. This legislative procedure known as "co-decision" is formally referred to as the "ordinary legislative procedure" and will become the standard procedure for adopting legislative proposals. Of major importance is the extension of co-decision to agriculture and fisheries.

### Agriculture & Fisheries

Under the Treaty of Lisbon, the provisions for agriculture (article 37) are now extended to include fisheries. Two important new paragraphs are added to article 37 of the TFEU.

**Article 37.2:** *"The European Parliament and the Council, acting in accordance with the ordinary legislative procedure and after consulting the Economic and Social Committee, shall establish the common organization of agricultural markets provided for in Article 34.1 and the other provisions necessary for the pursuit of the objectives of the Common Agricultural Policy (CAP) and the common fisheries policy (CFP)."*

Currently, measures under CAP and CFP are decided under the consultation procedure. Under the consultation procedure, the Council has to consult with the EP before it decides on a Commission proposal. The EP's influence is very limited because it can only deliver a "non-binding" opinion. Article 37.2 significantly increases the power of the EP because for the first time in history, the EP will have the same decision-making powers as the Council to adopt measures under CAP and CFP.

**Article 37.3:** *"The Council, on a proposal from the Commission, shall adopt measures on fixing prices, levies, aid and quantitative limitations and on the fixing and allocation of fishing opportunities."*

Article 37.3 will be one of the few exceptions where co-decision will not apply. The Council will remain the sole legislator for the fixing of prices, levies and quotas for agricultural commodities and for the allocation of annual fishing quotas.

### EU Agriculture Budget

The Treaty of Lisbon also has important budgetary implications. It introduces a new simplified budgetary procedure (article 272) requiring only one reading ("special legislative procedure") instead of two readings ("ordinary legislative procedure"). With the distinction

between compulsory and non-compulsory CAP expenditure being abolished, the EP and the Council are now also on equal footing for approval of the entire annual EU budget.

New budgetary procedure:

- Commission submits a draft budget for the next financial year to the EP and the Council not later than September 1
- The Council adopts its position on the draft budget and forwards it to the EP not later than October 1. The Council must inform the EP in full of the reasons that led to the adoption of its position.
- If within forty-two (42) days of such communication, the EP:
  - a) approves the Council's position, the budget can be adopted
  - b) has not taken a decision, the budget will be deemed to have been adopted
  - c) adopts amendments by a majority of its component members, the amended draft budget will be forwarded to the Council and to the Commission. The President of the EP, in agreement with the President of the Council, will immediately convene a meeting of the Conciliation Committee (the Conciliation Committee has the task of reaching an agreement on a joint text).

The Commission may amend the draft budget during the entire procedure until the Conciliation Committee is convened.

Under the Treaty of Lisbon, the multi-annual financial framework (financial perspective) becomes legally binding. Currently, the financial perspective is a voluntary agreement between the three EU institutions. Multi-annual financial frameworks will have to be established for 5-year periods and will also have to be agreed by EP.

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<a href="#">E47052</a>	<a href="#">EU Preliminary Draft Budget FY 2008</a>	June 2007
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